

**OVERSIGHT BOARD OF THE FORMER
COMMUNITY REDEVELOPMENT AGENCY
OF THE CITY OF COMPTON**

STAFF REPORT

DATE: JULY 18, 2012

TO: THE HONORABLE CHAIR AND BOARD MEMBERS

FROM: EXECUTIVE DIRECTOR

**SUBJECT: PROPERTY DISPOSITION STRATEGY AND PROCEDURES FOR
SUCCESSOR AGENCY ASSETS**

RECOMMENDATION:

Staff recommends that the Oversight Board approve the proposed Property Disposition Strategy and Procedures.

BACKGROUND:

In accordance with Section 34177 (e) of the Dissolution Act, the Successor Agency is to dispose of assets and properties “expeditiously and in a manner aimed at maximizing value.” On the other hand, Assembly Bill 1484 (AB 1484) provides some flexibility in that it requires that Oversight Boards adopt a plan and procedure for the management and disposition of former Redevelopment Agency assets. However, neither the Dissolution Act nor AB 1484 provide specific details on how each Oversight Board shall address those procedures or policies as to meet the requirements of the law.

However, as part of the wind-down efforts and activities of the former Community Redevelopment Agency of the City of Compton (the “Successor Agency”), the Successor Agency staff (former Compton Redevelopment Agency staff) will manage the ongoing maintenance, marketing, and disposition of assets, including real and personal property of the former Community Redevelopment Agency, including all of the former Community Redevelopment Agency’s housing assets, programs and functions.

DISCUSSION:

The Successor Agency holds a current inventory total of approximately thirty-seven (37) non-housing properties. These properties are in various stages of negotiations for disposition; such as Exclusive Negotiations Agreements, Disposition and Development Agreement or Letter of Interest of negotiations between the former Community Redevelopment Agency and a private

party that desired to negotiate with or has obligated the former Community Redevelopment Agency to convey the subject property for a specific use with economic benefits for the City.

Due to such prior obligations or agreements, the “Excluded Reuse Properties” would not be subject to these Disposition Procedures; however in the event both parties are unable to perform under terms or conditions of those previous agreements and the Successor Agency staff is unable to commit the property to another private party within 90 days, those properties would be subject to these requirements under the Property Disposition procedures.

A Disposition Procedure will provide an orderly process for selling property and providing interested parties the opportunity to review and indentify their interests, when acquiring any of the former Redevelopment Agency property.

In addition to the Disposition Strategy and Procedures, staff will be developing a Long Range Property Management Plan for all Successor Agency owned assets. Upon completion of the draft Long Range Management Plan staff will submit that plan to the Oversight Board for approval.

ANALYSIS:

The property strategy provides for a segmentation and categorization of the current Successor Agency assets that are available for disposition and may not have a private party buyer committed to purchase the property. The Successor Agency staff is working with the consulting firm of Jones Lang La Salle to assist in the development of this strategy and implementation of the disposition procedures.

The Disposition Segmentation strategy is as follows:

Each parcel will initially be separated into Four (4) distinct ‘Categories’ [A, B, C, D] based on a real property valuation methodology, acquisition funding source, Disposition and Development Agreements, Exclusive Negotiation Agreements, Letters of Interest, the purchase price and date and ROPS determination.

Category A these assets will have the highest asset value and ability to attract development and is ready available for disposition.

Category B these assets will have some minor site or market conditions that may place constraints (land use, entitlements, etc...) or impede the immediate disposition of the asset; however these constraints can be mitigated. Once mitigated these factors will allow the value of the asset to increase and become more attractive for development.

Category C these assets have very little, Zero or negative land value. They may be very difficult to sell without any financial assistance or another development catalyst in the area.

Category D: these assets should be disposed of in accordance with the provisions of AB 1484, Community Redevelopment Property Trust Fund (the “Trust Fund”).

The Disposition Procedures are as follows:

Request for Proposals: A Request for Proposals (“RFP”) shall be prepared by the Successor Agency to solicit development programs that show sufficient detail to assure the Successor Agency and Oversight Board as to how and when the bidder intends to fulfill the intended use of

the property, as well as a fiscal analysis that demonstrates the total value of the acquisition and subsequent development. The bidder would be required to demonstrate how their proposal will provide the fiscal benefits of such value to the City, local education entities, County, special districts and other affected taxing agencies.

Successor Agency Evaluation of Proposals: The Successor Agency shall consider in good faith all proposals timely submitted by interested parties. After consideration of the proposals, the Successor Agency may, in the exercise of its discretion pursuant to the Dissolution Act, accept, conditionally accept, or reject any or all proposals submitted. In the exercise of its discretion, the Successor Agency would acknowledge that its role in overseeing is subject to the Oversight Board review.

Negotiating Agreements: The Successor Agency shall use good faith efforts, subject to approval of the Oversight Board, to enter into an agreement to negotiate with a developer for the purchase of a specific site, which may at the reasonable discretion of Successor Agency staff be an agreement to negotiate exclusively with a particular proponent, or, if applicable, purchase and sales contract, with the selected developer whose proposal has been selected or conditionally selected by the Successor Agency staff. The purpose of the Agreement is to establish a time period during which the chosen developer shall have the right to negotiate with the Successor Agency staff all of the terms and conditions of the purchase and sales agreement.

OPTIONS: The following option is presented for consideration:

1. Approve the proposed Redevelopment Property Disposition Strategy and Procedures and allow Successor Agency staff to modify and necessary. This option presents a set procedure that will provide an established process for soliciting competitive proposals from interested bidders. Through this process, an array of potential benefits can be compared to one another.

RECOMMENDATION:

Staff recommends that the Oversight Board approve the proposed Property Disposition Strategy and Procedures.

Note: That the above actions of the Oversight Board shall not become effective for three business days, pending any request for review by the DOF. If DOF requests review of the above Board actions, it will have 10 days from the date of its request to approve the Oversight Board action or return it to the Oversight Board for reconsideration and the action, if you subject to review by DOF, will not be effective until approved by DOF.

Bryan Batiste

Executive Director

Subject: Former City of Compton RDA Property Inventory
 Renata Simril and Sherry Rudnak

Table 1: TI Funded Successor Agency Properties

ID	Address	Assessor Parcel Number	Size (sq ft.)	Zoning	Function/Use	Production Date	Source of Funds	Current Use	Adjacent Use	ECOS Property	DOA/Env/Health/SA in phase?	148 Number	Date EIA Signed	EIA Bureaucracy	EIA Expired?
1	1429 E Compton Blvd	6138-001-900	11,392	United Commercial (C-1)			TF	Vacant Land	commercial industrial to east, SFH to north and west	No	LOI				
2	1430 N McKinley	6134-000-900	29,182	United Commercial (C-1)			TF	Vacant Land	industrial to east, SFH to north and west	No	LOI				
3	Adjacent to McKinley site	6134-000-911	17,424	United Commercial (C-1)			TF	Vacant Land	commercial to north, SFH to south and west	Yes	EIA	1,880	4/9/2011	6 months	Y
4	2008 W Compton Blvd	6138-004-900	21,884	United Commercial (C-1)		4/8/2008	TF	Vacant Land	commercial to north, SFH to south and west	Yes	EIA				
5	2012 W Compton Blvd	6138-004-902	7,500	United Commercial (C-1)		1/8/2009	TF	Vacant Land	commercial to north, SFH to south and west	Yes	EIA				
6	2024 W Compton Blvd	6138-004-903	5,456	United Commercial (C-1)		1/8/2009	TF	Vacant Land	commercial to north, SFH to south and west	Yes	EIA				
7	2001 W Florida Blvd	6138-004-900	40,075	United Commercial (C-1)		3/7/2009	TF	Survey/LOI	all residential	No	LOI				
8	2815-2875 W Florida Blvd	6138-008-900	779,724	United Commercial (C-1)		3/7/2009	TF	Vacant Land	all residential commercial and industrial to south	No	LOI				
9	14804 S Center Ave	6143-011-902	106,772	United Commercial (C-1)			TF	Vacant Bldg		No	LOI				
10	1113-1135 W Research Ave	6144-014-905	43,580	United Commercial (C-1)			TF	Vacant Land	all commercial	No	LOI				
11	415 V Compton Blvd	6157-022-900	6,699	United Commercial (C-1)		6/16/2008	TF	Vacant Land	all commercial	Yes	EIA	1,847	3/22/2011	6 months	Y
12	411 V Compton Blvd	6157-022-908	4,483	United Commercial (C-1)		6/16/2008	TF	Vacant Land	all commercial	Yes	EIA	1,847	3/22/2011	6 months	Y
13	217 E Indigo St	6160-020-902	7,759	United Commercial (C-1)			TF	Vacant Land	all commercial	No	LOI				
14	408 W Florida Blvd	6162-010-906	6,403	United Commercial (C-1)		8/21/2008	TF	Test Road/LOI	all commercial	No	LOI				

Subject: Former City of Compton RDA Property Inventory
Renata Simril and Sherry Rudnak

Table 1, Continued

ID	Address	Assessed Parcel Number	Size (sq. ft.)	Zoning	Purchased Price	Purchase Date	Source of Funds	Current Use	Adjacent Use	EOFS Property	DDA/CPA/DO/EMA in place?	EMA Resolution Number	Base EMA Signed	EMA Duration	EMA Expiration
15	412 W. Martin Blvd	6184-010-907	18,409	Limited Commercial (C-L)	\$501,993.00	8/11/2008	TF	Feed Feed, or	vacant in place (hamburger stand) commercial on N. mt to west and south	No	In use				
16	1119 S Long Beach Blvd	6184-008-904	56,499	Limited Commercial (C-L)	\$1.00		TF	Vacant Land		Yes	LOI				
17	106 E Cedar St	6166-004-901	7,497	Limited Commercial (C-L)			TF	Vacant Land	mt and SFR a little ind	No	LOI				
23	501-509 E Compton Blvd	6196-023-801	10,178	Limited Commercial (C-L)	\$1,979,585.00	9/17/2008	TF	Vacant Bldg	commercial and residential	No	EMA				
24	517-537 E Compton Blvd	6166-022-902	16,022	Limited Commercial (C-L)	1979035	8/9/08	TF	Vacant Land	commercial and residential	No	EMA	1,839	1/18/2011	9 months	Y
25	545 E Compton Blvd	6166-022-904	4,896	Limited Commercial (C-L)	\$1,579,035.00	9/17/2008	TF	Vacant Bldg	commercial and residential	No	EMA				
26	201 E Long Beach Blvd	6178-025-903	2,500	Limited Commercial (C-L)			TF	Vacant Land	all commercial	No	EMA				
27	203 E Long Beach Blvd	6178-025-904	2,500	Limited Commercial (C-L)			TF	Vacant Land	all commercial	No	EMA				
28	211 E Long Beach Blvd	6178-025-905	15,000	Limited Commercial (C-L)			TF	Vacant Land	all commercial	No	EMA				
29	305-315 E Long Beach Blvd	6178-025-906	27,589	Limited Commercial (C-L)	\$742,293.00	8/31/2008	TF	Vacant Land	all commercial	No	EMA	1,951	4/12/2011	6 months	Y
30	110 N Bowen Ave	6183-003-901	2,675	Limited Commercial (C-L)			TF	Vacant Land	commercial and a little light ind to the east	No, in for maintenance	EMA	1,839	1/15/2011	9 months	Y
31	114 N Bowen Ave	6183-003-902	2,880	Limited Commercial (C-L)			TF	Vacant Land	commercial and a little light ind to the east	No	EMA	1,839	1/29/2011	9 months	Y
32	115 E Bulle Rd	6183-003-900	16,000	Limited Commercial (C-L)			TF	Vacant Land	commercial and a little light ind to the east	No	EMA				
33	1500-1501 E Compton Blvd	6183-003-900	21,315	Limited Commercial (C-L)			TF	Vacant Land	commercial and some office	No	LOI				
34	953 E Walnut St	7319-028-904	30,180	Limited Commercial (C-L)			TF	Vacant Land	industrial	No	expired lease in place				
35	641 S 98th Street	6143-021-918		Limited Commercial (C-L)	15,000	405.13	TF	commercial strip, vacant	commercial	No	LOI				

RESOLUTION NO. _____

A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY FOR THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON APPROVING THE PROPERTY DISPOSITION STRATEGY AND PROCEDURES FOR SUCCESSOR AGENCY OWNED ASSETS

WHEREAS, in accordance with Section 34177 (e) of the Dissolution Act, the Successor Agency is to dispose of assets and properties “expeditiously and in a manner aimed at maximizing value.” On the other hand, Assembly Bill 1484 (AB 1484) provides some flexibility in that it requires that Oversight Boards adopt a plan and procedure for the management and disposition of former Redevelopment Agency assets. However, neither the Dissolution Act nor AB 1484 provide specific details on how each Oversight Board shall address those procedures or policies as to meet the requirements of the law; and

WHEREAS, as part of the wind-down efforts and activities of the former Community Redevelopment Agency of the City of Compton (the “Successor Agency”), the Successor Agency staff (former Compton Redevelopment Agency staff) will manage the ongoing maintenance, marketing, and disposition of assets, including real and personal property of the former Community Redevelopment Agency, including all of the former Community Redevelopment Agency’s housing assets, programs and functions; and

WHEREAS, the Successor Agency holds a current inventory total of approximately thirty-seven (37) non-housing properties. These properties are in various stages of negotiations for disposition; such as Exclusive Negotiations Agreements, Disposition and Development Agreement or Letter of Interest of negotiations between the former Community Redevelopment Agency and a private party that desired to negotiate with or has obligated the former Community Redevelopment Agency to convey the subject property for a specific use with economic benefits for the City; and

WHEREAS, due to such prior obligations or agreements, the “Excluded Reuse Properties” would not be subject to these Disposition Procedures; however in the event both parties are unable to perform under terms or conditions of those previous agreements and the Successor Agency staff is unable to commit the property to another private party within 90 days, those properties would be subject to these requirements under the Property Disposition procedures; and

WHEREAS, a Disposition Procedure will provide an orderly process for selling property and providing interested parties the opportunity to review and indentify their interests, when acquiring any of the former Redevelopment Agency property; and

WHEREAS, in addition to the Disposition Strategy and Procedures, staff will be developing a Long Range Property Management Plan for all Successor Agency owned assets. Upon completion of the draft Long Range Management Plan staff will submit that plan to the Oversight Board for approval; and

WHEREAS, the Property Disposition Strategy and Procedures are as follows:

- **Request for Proposals:** A Request for Proposals (“RFP”) shall be prepared by the Successor Agency to solicit development programs that show sufficient detail to assure the Successor Agency and Oversight Board as to how and when the bidder intends to fulfill the intended use of the property, as well as a fiscal analysis that demonstrates the total value of the acquisition and subsequent development. The bidder would be required to demonstrate how their proposal will provide the fiscal benefits of such value to the City, local education entities, County, special districts and other affected taxing agencies.
- **Successor Agency Evaluation of Proposals:** The Successor Agency shall consider in good faith all proposals timely submitted by interested parties. After consideration of the proposals, the Successor Agency may, in the exercise of its discretion pursuant to the Dissolution Act, accept, conditionally accept, or reject any or all proposals submitted. In the exercise of its discretion, the Successor Agency would acknowledge that its role in overseeing is subject to the Oversight Board review.

- **Negotiating Agreements:** The Successor Agency shall use good faith efforts, subject to approval of the Oversight Board, to enter into an agreement to negotiate with a developer for the purchase of a specific site, which may at the reasonable discretion of Successor Agency staff be an agreement to negotiate exclusively with a particular proponent, or, if applicable, purchase and sales contract, with the selected developer whose proposal has been selected or conditionally selected by the Successor Agency staff. The purpose of the Agreement is to establish a time period during which the chosen developer shall have the right to negotiate with the Successor Agency staff all of the terms and conditions of the purchase and sales agreement.

NOW, THEREFORE, THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY OF THE CITY OF COMPTON, HEREBY FINDS, DETERMINES, RESOLVE, AND ORDERS AS FOLLOWS:

Section 1. That the above recitals are hereby true and correct and are a substantive part of this resolution.

Section 2. That this resolution is adopted pursuant to Health and Safety Code Section 34177.

Section 3. That the Oversight Board hereby approved the Property Disposition Strategy and Procedure for Successor Agency Owned Assets.

Section 4. That the officers and staff of the Oversight Board and the Successor Agency are hereby authorized and directed, jointly and severally, to execute and to do any and all things which they may deem necessary or advisable to effectuate this resolution.

Section 5. That a certified copy of this resolution shall be filed in the offices of the Executive Director of the Successor Agency.

ADOPTED this ____ day of _____, 2012.

**CHAIRPERSON OF THE OVERSIGHT BOARD
TO THE SUCCESSOR AGENCY TO THE
COMMUNITY REDEVELOPMENT
AGENCY OF THE CITY OF COMPTON**

ATTEST:

**RHONDA RANGEL, DEPUTY CLERK
LOS ANGELES COUNTY BOARD OF SUPERVISORS
ACTING AS SECRETARY TO THE OVERSIGHT
BOARD TO THE SUCCESSOR AGENCY TO THE
COMMUNITY REDEVELOPMENT
AGENCY OF THE CITY OF COMPTON**

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES
CITY OF COMPTON: ss

I, Rhonda Rangel, Secretary to the Oversight Board to the Successor Agency to the Community Redevelopment Agency of the City of Compton, hereby certify that the foregoing resolution was adopted by the Board, signed by the Chairperson, and attested by the Secretary at the regular meeting thereof held on the ____ day of _____, 2012.

That said resolution was adopted by the following vote, to wit:

AYES: BOARD MEMBERS -
NOES: BOARD MEMBERS -
ABSENT: BOARD MEMBERS –

**RHONDA RANGEL, DEPUTY CLERK
LOS ANGELES COUNTY BOARD OF SUPERVISORS
ACTING AS SECRETARY TO THE OVERSIGHT
BOARD TO THE SUCCESSOR AGENCY TO THE
COMMUNITY REDEVELOPMENT
AGENCY OF THE CITY OF COMPTON**